

LEGAL NOTICE BY ORDER OF THE COURT  
*A court authorized this Notice. This is not a solicitation from a lawyer.*

## **NOTICE OF PENDENCY OF CLASS ACTION AND CLASS ACTION SETTLEMENT**

**TO ALL CALIFORNIA POLITICAL SUBDIVISIONS, THE UNIVERSITY OF CALIFORNIA, AND THE STATE BAR OF CALIFORNIA:** IF YOUR ORGANIZATION PURCHASED CATHODE RAY TUBES OR PRODUCTS CONTAINING CATHODE RAY TUBES, SUCH AS COMPUTER MONITORS OR TELEVISIONS, BETWEEN MARCH 1, 1995 AND NOVEMBER 25, 2007, THE SETTLEMENTS DESCRIBED BELOW APPLY TO YOUR ORGANIZATION.

### **PURPOSE OF THIS NOTICE**

*This notice is given under California Rule of Court 3.766 and 3.769, and by Court Order dated June 12, 2013, from San Francisco County Superior Court (“the Court”).*

The Court granted preliminary approval of two settlements in the following class action lawsuit: *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786. This class action concerns a conspiracy to fix, raise, maintain, and/or stabilize the prices of cathode ray tubes (“CRTs”) that allegedly resulted in overcharges to purchasers of CRTs or products containing CRTs, such as computer monitors and televisions. This class action is brought by the California Attorney General and the City and County of San Francisco on behalf of all political subdivisions in the State of California, the University of California and the State Bar of California, all of which purchased CRTs or products containing CRTs. The lawsuit names two defendants: (1) Chunghwa Picture Tubes Ltd. (“Chunghwa”) and (2) the Philips Electronics North American Corporation (“Philips”). Settlements have now been reached with both Defendants. The terms of these settlements are summarized below. Before the settlement funds can be distributed, The State must also obtain the Court’s final approval of these settlements. The Court scheduled a hearing to determine whether to grant final approval. This hearing is open to the public. The hearing location, date, and time are provided below. If final approval is granted, then the Settlement Fund will be distributed in the manner described below as *Cy Pres* Distribution.

*You are receiving this notice because the rights of the organization that you represent may be affected by the settlements in this class action lawsuit. Please read this notice carefully.*

### **THE LAWSUIT AND THE SETTLEMENTS**

#### **1. What is this lawsuit about?**

The California Attorney General investigated a global price-fixing conspiracy involving CRTs. As a result, she filed this lawsuit against Chunghwa and Philips for violating the California Cartwright Act, the Unfair Competition Act, and for unjust enrichment. The Attorney General also filed a lawsuit against Chunghwa and Philips’s alleged co-conspirators. That lawsuit is called *The State of California, et al. v. Samsung SDI Ltd., Co., et al.*, San Francisco Superior Court Case No. CGC-11-515784. This notice focuses only on the lawsuit against Chunghwa and Philips.

This is a civil action. The Complaint against Chunghwa and Philips specifically claims that between March 1, 1995 and November 25, 2007, Chunghwa and Philips conspired with other companies to fix, raise, maintain, and/or stabilize the prices of CRTs, and as a result, California individuals who bought products containing CRTs, such as computer monitors and televisions, suffered overcharges. Defendants Chunghwa and Philips deny these allegations. The Court has not decided who is right.

## 2. What are the Attorney General's powers in this lawsuit?

As the chief law enforcer of the State of California, the Attorney General has broad powers to enforce the laws enacted by the State of California. The Cartwright Act specifically grants the Attorney General the power to bring a civil action such as this lawsuit on behalf of California political subdivisions, the University of California, and the State Bar of California, to recover monetary damages they have suffered from violations of the Act. In addition, the Attorney General may bring an enforcement action to obtain an injunction requiring the wrongdoer to immediately stop the wrongdoing. And the Attorney General also may bring a law enforcement action under a theory of unjust enrichment or under the Unfair Competition Law to disgorge ill-gotten gains.

This lawsuit seeks to recover monetary relief for California individuals and government entities harmed by the global price-fixing conspiracy involving CRTs, to disgorge wrongdoers of their ill-gotten gains, to restore competition and to prevent future wrongdoing. It was not brought on behalf of corporations and partnerships.

## 3. Who is included in the class affected by these settlements?

The settlement agreements with Chunghwa and Philips describe the affected class as the Settlement Class of Government Entities or Settlement Class. This Settlement Class includes the following entities and only these entities: All political subdivisions of the State of California, the University of California and the State Bar of California, all of which purchased CRTs or products containing CRTs (including but not limited to computer monitors and televisions) between March 1, 1995 and November 25, 2007, from Chunghwa and/or Philips. The term "political subdivisions" is defined as all government entities authorized under California state law but without statewide jurisdiction. Within the Settlement Class, each political subdivision is referred to as a "class member." Likewise, the University of California and the State Bar also are "class members." The use of the term "you" or "your" in this Notice refers to an individual representative of each political subdivision, the University of California, or the State Bar.

## 4. Is this the only lawsuit against Chunghwa and Philips for alleged price-fixing of CRTs?

No, it is not. Chunghwa and Philips also have been named as defendants in other lawsuits concerning the same alleged price-fixing conspiracy. These other lawsuits currently are combined into a single proceeding called *In re: Cathode Ray Tube (CRT) Antitrust Litigation* (2007), Case No. 3:07-MDL-1917, a "multi-district litigation" currently pending in the United States District Court for the Northern District of California. But that litigation cannot protect the rights of California political subdivisions, the University of California, or the State Bar of California. Only the California Attorney General or their authorized representative can ensure such protection.

## 5. What do The State's Settlements with Chunghwa and Philips provide?

The State has obtained two separate settlements in this lawsuit – one from Chunghwa and the other from Philips (the "Settlements"). Below is a summary of the Settlements:

- (a) **Ongoing Cooperation:** Both Chunghwa and Philips agree to cooperate with the California Attorney General in her ongoing investigation into the global CRT price-fixing conspiracy. The State believes that this cooperation will be valuable in the ongoing prosecution of its case against other defendants alleged to have participated in the price fixing conspiracy.
- (b) **Injunction:** Chunghwa is prohibited for ten years from engaging in price fixing, market allocation, and/or bid rigging relating to the sale of any CRTs or CRT products for delivery into the United States. Philips is prohibited for three years from engaging in price fixing, market allocation, and/or bid rigging related to CRTs that are incorporated into monitors or other display screens incorporated in monitors.
- (c) **Antitrust Compliance:** Chunghwa agrees to maintain an antitrust compliance program to educate their officers and employees responsible for pricing and sales of CRT about United States federal and state antitrust laws. Philips agrees to certify that it has an antitrust compliance program and if one does not already exist, Philips must establish one but cannot sell CRTs within three years of establishing such a program.
- (d) **Monetary Benefit:** Chunghwa agrees to pay \$300,000 in monetary damages while Philips agrees to pay \$500,000 in monetary damages (collectively "Settlement Fund"). Before this Settlement Fund can be distributed, the Settlements must be approved by the Court at or after the hearing described in Section 7 below. The cost to administer the Settlements, attorneys' fees, costs, expenses, and awards to group (a), as described in Section 3 above, are paid from the Settlement Fund. The Attorney General will request attorneys' fees not to exceed 10% of the Settlement Fund.

## 6. What is *Cy Pres* Distribution of the Settlement Fund?

Because so many government entities in California may have been injured by the alleged wrongdoing, it would be impossible to distribute the Settlement Fund in a fair manner to every affected government entity. When it is difficult for all affected to receive individual shares of the recovery, the legal doctrine known as *cy pres* allows the courts to approve the distribution of the Settlement Fund to support public or non-profit activities to address the injury alleged in a lawsuit instead of distributing funds directly to the affected party. For this lawsuit, the Attorney General has set up a fund to distribute the settlements in a manner that would promote justice for all Californians. Monies from these settlements will be distributed in the form of technology-related grants to charity organizations as well as local and state government entities.

## 7. When and where is the court hearing concerning final approval of the Settlements?

The Court will hold a hearing to determine whether to approve the Settlements. The legal term for this type of hearing is “**Fairness Hearing**.” It will be held on October 18, 2013, beginning at 9:30 a.m. before Judge Richard A. Kramer at 400 McAllister Street, San Francisco, CA 94102, in Department 303. The hearing may be adjourned or continued without further notice.

# LEGAL RIGHTS AND OPTIONS OF CLASS MEMBERS

## 1. What are the legal rights of each class member?

Members of the Settlement Class have the right to sue Chunghwa and/or Philips for violating the Cartwright Act, for violating the Unfair Competition Act, and/or for unjust enrichment based on the subject matter of this lawsuit. Each class member may bring its own lawsuit against Chunghwa and/or Philips or be part of this lawsuit. **But unless a class member excludes itself in writing as described below, its claims against Chunghwa and/or Philips will be released by The State’s Settlements in this lawsuit.**

## 2. Regarding the legal claims, what are my options?

- **Do Nothing:** If you want to participate in this class action lawsuit against Chunghwa and Philips, no further action on your part is required. By doing nothing, you agree to be represented by the California Attorney General as class counsel and by the City and County of San Francisco as the class representative. You also agree to the terms of The State’s Settlements with Chunghwa and Philips and, as such, you agree to release Chunghwa and Philips from this lawsuit in exchange for the benefits described above.
- **Opt-Out or Exclude Yourself from the Settlement Class:** You have the right to exclude yourself (“opt-out”) from the Settlement Class, meaning you will not be legally bound by The State’s Settlements. But you also will not be entitled to any portion of the Monetary Benefit, although you will retain your right to sue Chunghwa and/or Philips based on the subject matter of this lawsuit. To “opt-out”, you must complete the “Opt-Out Form” accompanying this Notice and follow all stated instructions on that form.
- **Object, Request to Intervene, or Request to Appear at Fairness Hearing:** You also have the following rights: (a) to object to The State’s Settlements, the plan of distribution, attorneys’ fees and costs, and awards to the other groups; (b) to request the opportunity to intervene in this lawsuit; and (c) to request to appear at the Fairness Hearing described in above. But if you choose to “opt-out” of the Settlement Class, you may not object, intervene, or appear at the Fairness Hearing. Regarding the Fairness Hearing, class members have the right, but are not required, to appear at the hearing and be heard on the question of whether the Settlements should be approved. Each class member may retain their own attorney for the hearing, but this is not a requirement to appear. If you do not retain a separate attorney, then your interests will be represented by the California Attorney General at the hearing, unless you choose to represent yourself. To object, request to intervene, and/or request to appear, you must complete the “Objection Form” accompanying this Notice and follow all instructions stated on that form.

***We will file your Exclusion and Objection Forms with the Court and give copies to Defendants.***

## OPT-OUT FORM

I hereby assert my right to be excluded from the Settlement Class in *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

Print Name:

Address Line 1:

Address Line 2:

Signature of Authorized Representative:

Date:

## OBJECTION FORM

Check the appropriate box or boxes below:

☐ I assert my right to object to the Settlements in *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

☐ I assert my right to request to intervene in *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

☐ I assert my right to request to appear at the Fairness Hearing in *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

Print Name:

Address Line 1:

Address Line 2:

Signature of Authorized Representative:

Date:

**\*\*\*\*For your request(s) above to be effective, you MUST provide your name and address AND sign and date the form. Your completed form MUST be postmarked by September 8, 2013, and MUST be mailed to the following address:**

**Emilio E. Varanini  
Deputy Attorney General  
Office of the Attorney General of the State of California  
455 Golden Gate Avenue, Suite 11000  
San Francisco, CA 94102**

**Failure to follow these instructions will make your request(s) ineffective.**